

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

W.R. GRACE & COMPANY, et al¹,

Chapter 11

Debtors.

Case No. 01-01139(JKF)

(Jointly Administered)

Objection Deadline: 1/18/05 at 4:00 p.m.

Hearing Date: 3/21/05 at 12:00 p.m.

SUMMARY COVER SHEET TO FIRST QUARTERLY INTERIM APPLICATION OF
BAKER DONELSON BEARMAN CALDWELL & BERKOWITZ, P.C. FOR
COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES FOR FEBRUARY 1,
2004 THROUGH SEPTEMBER 30, 2004

Name of Applicant: Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. ("Baker Donelson")

Authorized to provide professional services to: W.R. Grace & Company, et al, Debtors and Debtors-in-Possession, its Board of Directors, and Counsel.

Date of Retention: June 16, 2004, effective April 2, 2001.

Period for which compensation and reimbursement is sought: February 1, 2004 - September 30, 2004.

Amount of Compensation sought as actual, reasonable and necessary: Total: \$136,000.00

Amount of Expense Reimbursement sought as

¹ The Debtors consist of the following 62 entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W.R. Grace & Co.-Conn, A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc. Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (fka Grace Cocoa management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B ((Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc, Grace H-Gm II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenni Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

actual, common, reasonable and necessary:

\$810.95

This is the first quarterly interim application.

**CUMULATIVE SUMMARY OF MONTHLY FEES INCURRED BY BAKER
DONELSON AS LEGISLATOR ADVISOR TO DEBTORS**

On December 28, 2004, Baker Donelson filed its first combined monthly fee application for the months of February, 2004 through November, 2004.

<u>Month</u>	<u>Requested Fee²</u>	<u>Expenses Requested</u>
02/01/2004 - 02/29/2004	\$17,000.00	\$0
03/01/2004 - 03/31/2004	\$17,000.00	\$635.33
04/01/2004 - 04/30/2004	\$17,000.00	\$23.01
05/01/2004 - 05/31/2004	\$17,000.00	\$42.32
06/01/2004 - 06/30/2004	\$17,000.00	\$31.94
07/01/2004 - 07/31/2004	\$17,000.00	\$42.06
08/01/2004 - 08/31/2004	\$17,000.00	\$22.99
09/01/2004 - 09/30/2004	\$17,000.00	\$13.30

² Under Order Approving Employment of Baker Donelson, the firm is not to be compensated based on a hourly rate; therefore, a calculation of total fees by hour and category is not applicable.

CUMULATIVE EXPENSE SUMMARY(\$)

Expense Categories³	Total Expenses for Period from February 1, 2004 - November 30, 2004
Mobile/Cell Phone:	\$86.47
Long Distance Charges:	\$144.36
Outgoing Telecopier Charges:	\$46.00
Photo Reproduction:	\$14.40
Shipping:	\$22.32
Travel/Meals:	\$0
Cab:	\$25.00
Staff Overtime:	\$472.40

³ Exhibit B provides a monthly detail of expenses incurred for which reimbursement is sought.

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Debtors.

Chapter 11

Case No. 01-01139(JKF)
(Jointly Administered)

**FIRST INTERIM APPLICATION OF BAKER, DONELSON, BEARMAN, CALDWELL
& BERKOWITZ, P.C. FOR COMPENSATION AND FOR REIMBURSEMENT OF
EXPENSES FOR FEBRUARY 1, 2004 THROUGH SEPTEMBER 30, 2004**

Pursuant to Sections 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code"), Fed. R. Bankr. P. 2016 and the Court's Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April 17, 2002, Amending the Court's Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Allowance of Payment of Monthly Interim Compensation and Reimbursement of Expenses of Professionals entered May 3, 2001 (together

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the "Administrative Order"), the firm of Baker Donelson Bearman Caldwell & Berkowitz, P.C. ("Baker Donelson") hereby files this First Interim Application of Baker Donelson for Compensation and Reimbursement of Expenses for the Period Commencing February 1, 2004 through September 30, 2004 (the "First Fee Application"). By this First Fee Application, Baker Donelson seeks the interim allowance of compensation in the amount of \$136,000.00 and reimbursement of actual and necessary expenses in the amount of \$810.95 for a total of \$136,810.95 for the period of February 1, 2004 through September 30, 2004 (the "Interim Period") In support of this First Fee Application, Baker Donelson respectfully represents as follows:

BACKGROUND

1. On April 2, 2001 (the "Petition Date") each of the Debtors (collectively the "Debtors") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties and assets as Debtors-in-Possession.
2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 §§ 157(b)(2).
3. On April 20, 2001, the court entered its Order that the Debtors' Chapter 11 cases be consolidated for procedural purposes only and administrated jointly.
4. By this Court's Order dated June 16, 2004, the Debtors were authorized to retain Baker Donelson to advise the Debtors, their counsel, and their Board of Directors with respect to legislative affairs and current pending, and future legislative affairs and such other related services as the Debtors may deem necessary or desirable, effective as of April 2, 2001 (the "Retention Order"). The Retention

Order authorizes Debtors to compensate Baker Donelson on a flat rate in the amount of \$17,000.00 per month for services rendered plus reimbursement of actual and necessary expenses incurred by Baker Donelson.

5. Pursuant to the procedures set forth in the Administrative Order, professionals may request monthly compensation and reimbursement, and interested parties may object to such requests. If no interested party objects to a professional's request within twenty (20) days, the applicable professional may submit to the Court a Certification of No Objection authorizing the interim compensation and reimbursement of eighty percent (80%) of the fees requested and one hundred percent (100%) of the expenses requested subject to the filing and approval of interim and final fee applications of the professional. The professional is to also file a Quarterly Interim Fee Application.
6. Attached hereto as Appendix A is the Verification of James Range.

MONTHLY FEE APPLICATIONS

7. On December 28, 2004, Baker Donelson filed its first combined monthly fee application for the months of February, 2004 through November, 2004 for fees incurred in the amount of \$170,000.00 (less twenty percent (20%) holdback of \$34,000.00 for a fee to be paid pursuant to the combined monthly fee application filed of \$136,000.00) and reimbursement of expenses totaling \$1,581.26. To date, no objection to the payment of the combined Monthly Fee Application has been filed.
8. This first Fee Application is filed, as set forth above, for fees incurred commencing February, 2004 through September 30, 2004. The Combined Monthly Fee application contains daily time logs describing the actual and

necessary services provided by Baker Donelson during the Interim Period. While Baker Donelson is to be compensated on a flat rate, the monthly time records attached as collective Appendix B provide detail and information as to the work performed by Baker Donelson during the Interim Period.

REQUESTED RELIEF

9. By this First Fee Application, Baker Donelson requests that the Court approve the interim allowance of compensation for professional services rendered in the amount of \$136,000.00 and the reimbursement of actual and necessary expenses incurred in the amount of \$810.95 by Baker Donelson during the Interim Period. As stated above, the full scope of services provided and related expenses incurred are fully described in the fee detail attached hereto as Exhibit B.
10. At all relevant times, Baker Donelson has been a disinterested person as that term is defined in Section 101(14) of the Bankruptcy Code, and has not represented or held an interest adverse to the interest of Debtors. All services for which compensation is requested by Baker Donelson were performed for or on behalf of Debtors and not on behalf of any committee, creditor or other person.
11. During the Interim Period, Baker Donelson has received no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with Debtors' cases.
12. Baker Donelson has no agreement with any non-affiliated entity to share any compensation earned in these Chapter 11 cases.
13. The professional services and related expenses for which Baker Donelson requests interim allowance of compensation and reimbursement of expenses were rendered and incurred in connection with Baker Donelson's provision of

professional services, particularly with regard to advice as to current, pending, and future legislative affairs.

14. Baker Donelson's services have been necessary and beneficial to Debtors, their estates and other parties in interest.

WHEREFORE, Baker Donelson respectfully requests that the Court enter an Order, providing that, for the period of February 1, 2004 through September 30, 2004, allowance will be made to Baker Donelson in the sum of \$136,0000.00 as compensation for reasonable and necessary professional services rendered to Debtors and in the sum of \$810.95 for reimbursement of actual and necessary costs and expenses incurred, for a total of \$136,810.95; that Debtors be authorized and directed to pay to Baker Donelson the outstanding amount of such sums; and for such other and further relief as this Court deems just and proper.

Dated: December 21, 2004.

Respectfully submitted,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ
A Professional Corporation

By: 

E. Franklin Childress, Jr., Shareholder
James Range
165 Madison Avenue
Suite 2000
Memphis, Tennessee 38103
(901) 526-2000
(901) 577-2303 – Facsimile

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VERIFICATION

District of Columbia

James Range, after being duly sworn according to law, deposes and says:

1. I am Senior Public Policy Advisor of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C.
2. I personally performed the work as set forth and described in the monthly detail for the months of February through November, 2004 attached as Exhibit B.
3. I reviewed the Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief.
4. I have reviewed the requirements of Local Rule 2016-2 and the Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Revised

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Procedures for Interim Compensation and Reimbursement of Expenses for
Professionals and Official Committee Members signed April 17, 2002 and submit
that the Application substantially complies with such Rule and Order.


James Range

SWORN TO AND SUBSCRIBED before me this 10th day of December, 2004.


Notary Public

My Commission Expires: _____

Elizabeth Taylor
Notary Public, District of Columbia
My Commission Expires 12-14-2006